
Commerce & Labor Committee

HB 2661

Brief Description: Providing for self-service storage facility late fees to be reasonable and stated in the rental contract.

Sponsors: Representatives Green and Morrell.

Brief Summary of Bill

- Limits late fees charged to a renter of a self-service storage facility to \$20 or 20 percent of the total rent due, whichever is greater.
- Requires that all late fees be written in the rental agreement.

Hearing Date: 1/25/08

Staff: Alison Hellberg (786-7152).

Background:

The Washington Self-Service Storage Facility Act (Act) governs the leasing and renting of individual storage units in self-service storage facilities. The Act requires that all rental and lease agreements be in writing. Owners must also comply with certain procedures when addressing past due rent, terminating the rental or lease agreement, placing liens on personal property stored in the unit, and disposing of unclaimed personal property.

Summary of Bill:

A late fee is defined as a fee or charge assessed by an owner of a self-service storage facility as an estimate of any loss incurred by an owner for an occupant's failure to pay rent when due. A late fee is not a penalty nor an interest on debt. Additionally, a late fee is not a reasonable expense which the owner may incur in the course of collecting unpaid rent, in enforcing the owner's lien rights, or enforcing any other remedy provided by law or contract.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The owner may charge a reasonable late fee if it is written in the rental agreement. A late fee of \$20 or 20 percent of the monthly rental amount, whichever is greater, is deemed reasonable and is not a penalty.

Rental agreements entered into prior to June 12, 2008, or automatically extended or automatically renewed after that date, shall remain valid, and may be enforced or terminated in accordance with their terms or as otherwise permitted by law.

Rules Authority: The bill does not address the rule-making powers of an agency.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.